

Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

RECEIVED

MAY 15 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02479A
LORD ARIZONA WATER
SYSTEMS INC.
2961 E COOLEY
SHOW LOW, AZ 85901

ANNUAL REPORT

FOR YEAR ENDING

12	31	2005
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entered
5/15/06
RF

Company Name (Business Name) LORD ARIZONA WATER SYSTEMS,
INC _____

Mailing Address _____ 2961 E

COOLEY _____

(Street)

SHOW LOW _____

AZ _____

85901 _____

(City)

(State)

(Zip)

_____ 928-537-1557

SAME _____

N/A _____

Telephone No. (Include Area Code)
No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell

Email

Address _____ N/A _____

Local Office Mailing Address

SAME _____

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)
Pager/Cell No. (Include Area Code)

Fax No. (Include Area Code)

Email Address

N/A _____

MANAGEMENT INFORMATION

Management Contact: _____ THOMAS

LORD _____ PRESIDENT _____

(Name)

(Title)

_____ 2961 E. COOLEY _____

SHOW

LOW _____

AZ _____

85901 _____

(Street)

(City)

(State)

(Zip)

928-537-1557
Telephone No. (Include Area Code)
No. (Include Area Code)

SAME
Fax No. (Include Area Code)

Pager/Cell

Email

Address N/A

On Site Manager:

SAME
(Name)

(Street)
(Zip)

(City)

(State)

Telephone No. (Include Area Code)
(Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No.

Email

Address _____

Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: THOMAS LORD

(Name)

2961 E. COOLEY SHOW
LOW AZ 85901
(Street) (City) (State)
(Zip)

928-537-1557 SAME N/A

Telephone No. (Include Area Code)
No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell

Attorney:

NONE

(Name)

(Street) (City) (State)
(Zip)

Telephone No. (Include Area Code)
No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell

Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

Sole Proprietor (S)

**X C Corporation (C) (Other
than Association/Co-op)**

Partnership (P)

Subchapter S Corporation (Z)

Bankruptcy (B)

Association/Co-op (A)

Receivership (R)

Limited Liability Company

Other (Describe)

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

**X APACHE
COCONINO**

COCHISE

**GILA
GREENLEE**

GRAHAM

**LA PAZ
MOHAVE**

MARICOPA

**NAVAJO
PINAL**

PIMA

**SANTA CRUZ
YUMA**

YAVAPAI

STATEWIDE

COMPANY NAME - LORD ARIZONA WATER SYSTEMS, INC.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C (OC - AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	24,300	N/A	24,300
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment	23,976	8,229	15,747
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	754,242	412,920	341,322
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	802,518	421,149	381,369

This amount goes on the Balance Sheet Acct. No. 108

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT
YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depr Ex (
301	Organization			
302	Franchises			
303	Land and Land Rights	24,300	N/A	0
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment	23,976	VARIOUS	1,666
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	754,242	S/L 20 YRS	22,19
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	802,518		23,85

This amount goes on the Comparative Statement of Income and Expense
Acct. No. 403.

COMPANY NAME - LORD ARIZONA WATER SYSTEMS, INC

BALANCE SHEET

Acct .No.		BALANCE AT BEGINNING OF YEAR	BALANCE END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$16,757	\$464
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$16,757	\$464
	FIXED ASSETS		
101	Utility Plant in Service	\$802,518	\$802,518
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	397,291	421,149
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$405,227	\$381,369
	TOTAL ASSETS	\$421,984	\$381,833

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT
461	Metered Water Revenue	\$102,748	\$112,318
460	Unmetered Water Revenue		
474	Other Water Revenues	2,245	6,110
	TOTAL REVENUES	\$104,993	\$118,428
	OPERATING EXPENSES		
601	Salaries and Wages	\$34,661	\$27,676
610	Purchased Water	2,391	5,322
615	Purchased Power	10,820	12,200
618	Chemicals		
620	Repairs and Maintenance	23,892	34,890
621	Office Supplies and Expense	3,098	3,906
630	Outside Services	865	785
635	Water Testing	7,079	6,482
641	Rents		
650	Transportation Expenses	101	118
657	Insurance – General Liability	2,619	2,278
659	Insurance - Health and Life – W/C	1,193	689
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	1,164	5,011
403	Depreciation Expense	23,858	23,858
408	Taxes Other Than Income	5,756	6,506
408.11	Property Taxes	2,929	3,310
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$120,426	\$133,031
	OPERATING INCOME/(LOSS)	\$(15,433)	\$(14,603)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$0	\$
	NET INCOME/(LOSS)	\$(15,433)	\$(14,603)

COMPANY NAME - LORD ARIZONA WATER SYSTEMS, INC.

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$n/a

Meter Deposits Refunded During the Test Year \$n/a

COMPANY NAME - LORD ARIZONA WATER SYSTEMS, INC.

WATER COMPANY DIAMETER DESCRIPTION

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
CEDAR GROVE	45	976,500

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15	2	2	
2	1		
5	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
20,000	1	2000	2
10,000	1	119	1
15,000	2		

COMPANY NAME - LORD ARIZONA WATER SYSTEMS, INC.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS				CUSTOMER METERS	
Size (in inches)	Material	Length (in feet)		Size (in inches)	Q
2				5/8 X	
		3			
				5 1/2	
				6	

10				Turbo 3	
12			<u> </u> <u> </u>	Comp. 4	
			<u> </u> <u> </u>	Tubo 4	
			<u> </u> <u> </u>	Comp. 6	
			<u> </u> <u> </u>	Tubo 6	
			<u> </u> <u> </u>		
			<u> </u> <u> </u>		

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

☐ _____

STRUCTURES:

☐ _____

OTHER:

☐ _____

COMPANY NAME: LORD ARIZONA WATER SYSTEMS, INC.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR
2005

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLON PU (Thousan
JANUARY	286	755	755
FEBRUARY		801	801
MARCH		1,013	1,013
APRIL		893	893
MAY		1,123	1,123
JUNE		1,754	1,754
JULY		2,287	2,287
AUGUST		2,167	2,167
SEPTEMBER		1,340	1,340
OCTOBER		1,428	1,428
NOVEMBER		1,308	1,308
DECEMBER	320	1,186	1,186
TOTAL		16,055	16,055

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. <.001
 mg/l

(If more than one well, please list each separately.)

<.003

<.003

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME - LORD ARIZONA WATER SYSTEMS, INC.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE END YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$271,185	\$271,185
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	5,195	5,195
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	26,241	693
	TOTAL CURRENT LIABILITIES	\$302,621	\$277,03
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$	\$
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$6,100	\$6,100
211	Paid in Capital in Excess of Par Value	425,299	425,299
215	Retained Earnings	(312,036)	(326,639)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$119,363	\$104,760
	TOTAL LIABILITIES AND CAPITAL	\$421,984	\$381,833

COMPANY NAME _____ **LORD ARIZONA WATER SYSTEMS, INC. YEAR**
ENDING 12/31/2005

PROPERTY TAXES

Am _____ Amount of actual property taxes paid during Calendar Year 2005 was: \$ _____
3,310 _____

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why.

Apache County Treasurer
Treasurer - Katherine D. Arviso
P.O. Box 699
St Johns, AZ 85936

April 14, 2005 - 10:49 AM
Operator - Gerlie

Thank you for payment of: \$1,468.43
Payment applied to the 2004 Tax Year

Owner Paid, Check
Lord Arizona Water Systems Inc Thomas U
L
3601
Tax Year: 2004
Tax Roll Number: 51159
Parcel ID: 939-30-900

Taxes: \$2,936.06
Total Fee(s)/Interest: \$0.00
Previous Payments: \$1,468.43
Prior Balance Due: \$1,468.43

Current Payment Amount: \$1,468.43
Taxes Paid This Payment: \$1,468.43
Interest Paid This Payment: \$0.00
Fees Paid This Payment: \$0.00
Remaining Balance: \$0.00

Apache County Treasurer
Treasurer - Katherine D. Arviso
P.O. Box 699
St Johns, AZ 85936

October 7, 2005 - 8:36 AM
Operator - Marla

Thank you for payment of: \$1,842.02
Payment applied to the 2005 Tax Year

Owner Paid, Check
Lord Arizona Water Systems Inc Thomas U
L
4646
Tax Year: 2005
Tax Roll Number: 52119
Parcel ID: 939-30-900

Taxes: \$3,604.04
Total Fee(s)/Interest: \$0.00
Previous Payments: \$0.00
Prior Balance Due: \$3,604.04

Current Payment Amount: \$1,842.02
Taxes Paid This Payment: \$1,842.02
Interest Paid This Payment: \$0.00
Fees Paid This Payment: \$0.00
Remaining Balance: \$1,842.02

RECEIVED

MAY 15 2006

**AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES**

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

VERIFICATION

STATE OF AZ

COUNTY OF (COUNTY NAME)

APACHE

NAME (OWNER OR OFFICIAL) TITLE - THOMAS LORD

I, THE UNDERSIGNED

COMPANY NAME

OF THE

LORD ARIZONA WATER SYSTEMS, INC

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX
REPORT TO THE ARIZONA CORPORATION COMMISSION**

FOR THE YEAR ENDING

MONTH

12

DAY

31

YEAR

2006

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE
ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY;
THAT I HAVE CAREFULLY EXAMINED THE SAME, AND
DECLARE THE SAME TO BE A COMPLETE AND CORRECT
STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY
FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT
TO EACH AND EVERY MATTER AND THING SET FORTH, TO
THE BEST OF MY KNOWLEDGE, INFORMATION AND
BELIEF.**

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

OFFICIAL

Thomas V Ford

SIGNATURE OF OWNER OR

SUBSCRIBED AND SWORN TO BEFORE ME, *B. Bobbie Thayer*

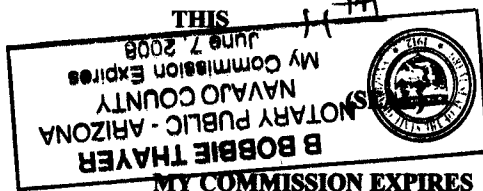
TELEPHONE NUMBER

A NOTARY PUBLIC IN AND FOR THE COUNTY OF *navajo*

THIS

DAY OF

May 2006



MY COMMISSION EXPIRES

June 7, 2008

Bobbie Thayer

SIGNATURE OF NOTARY PUBLIC

COMPANY NAME LORD ARIZONA WATER SYSTEMS, INC. **YEAR**
ENDING 12/31/2005

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported (14,603)
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported (14,603)
Estimated or Actual State Tax Liability 0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances n/a
Amount of Gross-Up Tax Collected n/a
Total Grossed-Up Contributions/Advances n/a

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Thomas V. Ford 5-11-06
SIGNATURE DATE

THOMAS LORD **PRESIDENT**
PRINTED NAME **TITLE**

VERIFICATION AND SWORN STATEMENT

Intrastate Revenues Only

VERIFICATION

STATE OF AZ

COUNTY OF (COUNTY NAME)

APACHE

NAME (OWNER OR OFFICIAL) TITLE - THOMAS LORD - PRESIDENT

I, THE UNDERSIGNED

COMPANY NAME – LORD ARIZONA WATER SYSTEMS, INC.

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

	MONTH	DAY	YEAR
FOR THE YEAR ENDING	12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE

RECEIVED

MAY 15 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 118,428

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 6,506
IN SALES TAXES BILLED, OR

COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**

SIGNATURE OF OWNER OR OFFICIAL

Thomas V Ford

TELEPHONE NUMBER

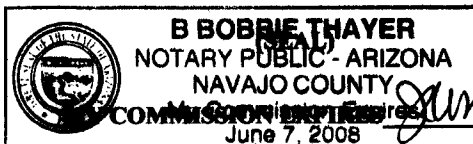
SUBSCRIBED AND SWORN TO BEFORE ME, *B. Bobbie Thayer*

A NOTARY PUBLIC IN AND FOR THE COUNTY OF *Navajo*

THIS

7th Day

DAY OF *May 2006*



Bobbie Thayer
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**

VERIFICATION

INTRASTATE REVENUES ONLY

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA
CORPORATION COMMISSION

FOR THE YEAR ENDING

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL
BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE
CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A
COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF
SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT
TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF
MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8,
SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED
THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM
ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM
RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

LEFT (THE AMOUNT IN BOX AT
INCLUDES \$ 6,506
IN SALES TAXES BILLED,
OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

OFFICIAL

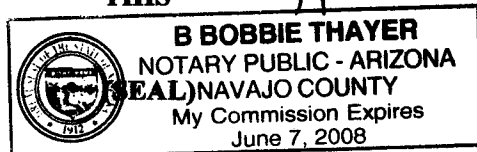
Thomas V Ford

SIGNATURE OF OWNER OR

NUMBER

TELEPHONE

SUBSCRIBED AND SWORN TO BEFORE ME, *B Bobbie Thayer*
A NOTARY PUBLIC IN AND FOR THE COUNTY OF *Navajo's*
THIS *17th* DAY OF *May 2006*



NOTARY PUBLIC

MY COMMISSION EXPIRES

June 7, 2008

X *Bobbie Thayer*

SIGNATURE OF

RECEIVED

MAY 15 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES